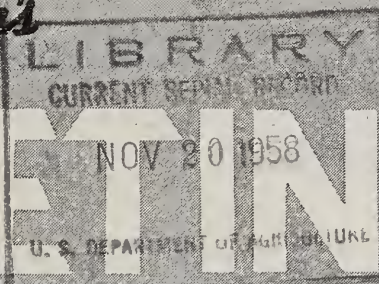


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Market Administrator's

BULLETIN

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MARKET ADMINISTRATOR

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ISSUED FOR PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

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New Farm Bill Provides for Change in Feed Grain Program

The Agricultural Act of 1958 enacted by the Congress was signed into law by the President on August 28. The major provision of the law, as it affects feed grains, gives corn producers in the commercial area the opportunity to vote on discontinuing corn acreage allotments that have been a part of the Government agricultural program for over 20 years. Although not covered in the bill, the acreage reserve program also will be discontinued for corn and other basic crops. The Conservation Reserve program, however, will be continued and payments per acre have been raised under this program.

The law calls for a referendum of corn producers in the 1958 commercial corn area to be held not later than December 15 to determine whether producers favor: (a) A discontinuance of corn acreage allotments, with price supports for corn at 90 percent of the average price in the preceeding 3 calendar years, but not less than 65 percent of parity, or (b) a continuation of the present acreage allotment program with price supports to complying producers ranging from 75 to 90 percent of parity.

If a majority of the producers voting in the referendum favor the new program, the commercial corn area will not be established in 1959 or later years. The national average price support will be set at 90 percent of the average price during the 3 calendar years preceding the beginning of the corn marketing year, but not less than 65 percent of parity. The 3 year average price may be adjusted to offset the effect on price of any abnormal quantities of low grade corn marketed during the 3-year period. There will be no commercial area and supports to all corn producers will be

based on this National average rate. In addition, price supports will be mandatory for oats, barley and sorghum grain in 1959 and later years. Support prices for these grains will be at levels determined by the Secretary to be fair in relation to the price support for corn, taking into consideration the relative feeding value of the grain and other factors specified in the Agricultural Act of 1949 (section 401 B). This is generally in line with the practice that has been followed by the Department in setting supports for these grains during the last several years. Under previous legislation, however, supports for these grains could be set at any level from 0 to 90 percent of parity at the discretion of the Secretary of Agriculture.

If in the referendum farmers vote to continue the present program acreage allotments will be in effect in the commercial area and the minimum prices supports to corn producers complying with their allotments will continue between 75 to 90 percent of parity depending on the supply percentage.

(Continued on page four)

Feed Concentrate Supply Up Nine Per Cent; Larger Carryover in Prospect Next Year

The feed concentrate supply for the 1958-59 feeding year is now estimated at 239 million tons, 20 million tons or 9 percent larger than last year and 55 million above the 1952-56 average. Feed concentrate supplies have increased each year since 1952 at an average annual rate of about 12 million tons per year. The number of grain-consuming animal units to be fed in 1958-59 is expected to increase around 5 percent over 1957-58 but the supply of feed concentrates per animal unit will be a record.

The record feed concentrate supply is more than ample to meet all 1958-59 requirements and probably also will increase carryover around 25 percent at the close of the 1958-59 season. With the bumper feed supplies the rate of feeding is expected to continue heavy, although it may be lower than in 1957-58 when large quantities of high moisture corn had to be disposed of. Assuming a slightly lower rate than in 1957-58, a total of about 142 million tons would be fed to livestock. If a total of nearly 22 million tons are used for food, industry and export—a little above the level of the last 3 years—the total disappearance for all purposes would be about 164 million tons. Based on this level of utilization, carryover stocks would continue their upward trend in 1958-59 and reach a new record high of around 75 million tons at the close of the season.



Columbus

MARKET FACTS FOR EASY REFERENCE

PRICE SUMMARY

Producers' Uniform Price (3.5%)	
Producers' Uniform Price (4%)	
Class I (3.5%)	
Class II (3.5%)	
Class III (3.5%)	
Class IV (3.5%)	
Producer Butterfat Differential for each 1/10%	

Sept. 1958	Aug. 1958	Sept. 1957
\$4.41	\$4.25	\$4.54
4.79	4.615	4.91
4.472	4.383	4.648
4.072	3.983	4.248
3.972	3.883	4.148
2.968	2.880	3.146
7.6¢	7.3¢	7.4¢

UTILIZATION SUMMARY

Percent of Producer Milk in Class I.....	
" " " B.F. " " I.....	
" " " Milk " " II.....	
" " " B.F. " " II.....	
" " " Milk " " III.....	
" " " B.F. " " III.....	
" " " Milk " " IV.....	
" " " B.F. " " IV.....	

87.8	83.9	86.0
87.4	81.3	84.0
8.8	9.0	7.2
2.6	2.5	2.3
1.0	2.8	3.5
3.2	5.2	2.9
2.4	4.3	3.3
6.8	11.0	10.8

PRODUCTION SUMMARY

Total Pounds of Producer Milk Delivered	
Average Daily Class I Producer Milk	
Total Number of Producers	
Average Daily Production per Producer	
Average Butterfat Test	
Total Value of Producer Milk at Test	
Income per Producer (7 Day Average)	

22,663,422	22,444,604	23,118,767
663,497	607,381	662,660
1,768	1,782	1,885
427	406	409
3.71	3.71	3.73
\$1,034,079.10	\$988,093.95	\$1,088,001.10
\$136.47	\$127.46	\$134.68

GROSS CLASS USE (Pounds)

Class I Skim	
" I B.F.	
" I Milk	
" II Skim	
" II B.F.	
" II Milk	

19,207,311	18,169,248	19,467,277
735,640	677,789	728,536
19,942,951	18,847,037	20,195,813
2,056,684	1,993,124	1,820,736
21,827	20,834	21,057
2,078,511	2,013,958	1,841,793

AVERAGE DAILY SALES (Quarts)

Milk	
Buttermilk	
Chocolate	
Skim	
Cream	

268,745	243,146	257,596
5,928	6,548	6,020
15,725	11,341	14,611
9,016	8,168	7,719
7,811	7,119	7,087

COMPARATIVE STATISTICS ★

COLUMBUS MARKETING AREA

★ **Sept., 1949-58**

Year	Receipts from Producers	Butter-Average fat Test	Percentage of Producer Milk in Each Class				Uniform Producer Price (3.5%)	Class prices at 3.5%				Number of Producers	Daily Average Production
			Class I	Class II	Class III	Class IV		Class I	Class II	Class III	Class IV		
1949.....	16,636,255	4.16	73.4	7.0	13.8	5.8	4.00	4.103	3.853	3.704	3.25	2,403	231
1950.....	17,698,857	4.02	72.0	21.1	6.9	—	4.02	4.177	3.777	3.101	—	2,142	275
1951.....	16,290,664	4.00	84.9	12.5	2.6	—	4.64	4.696	4.295	3.520	—	2,112	257
1952.....	17,648,314	3.98	80.3	17.3	2.4	—	5.14	4.23	4.83	3.897	—	2,128	270
1953.....	20,419,562	3.89	80.1	15.8	4.1	—	4.52	4.649	4.249	3.474	—	2,234	305
1954.....	21,316,057	3.82	79.5	8.1	7.2	5.2	4.30	4.456	4.056	4.056	3.181	2,166	328
1955.....	21,917,159	3.77	82.0	8.9	7.0	2.1	4.48	4.55	4.15	4.15	3.195	2,089	350
1956.....	23,259,478	3.75	80.7	8.9	6.1	4.3	4.43	4.528	4.128	4.128	3.252	2,042	380
1957.....	23,118,767	3.73	86.0	7.2	3.5	3.3	4.54	4.648	4.248	4.148	3.146	1,885	409
1958.....	22,663,422	3.71	87.8	8.8	1.0	2.4	4.41	4.472	4.072	3.972	2.968	1,768	427

The Dairy Situation

Milk production currently exceeds commercial use to a smaller degree than a year earlier. Production in the first half of 1958 was about the same as in the first six months of 1957 and total commercial use was a little higher. Wholesale prices of manufactured dairy products and prices to farmers for milk continue slightly below comparable periods of 1957.

The leveling out of milk production in the first half of 1958 followed substantial increases in comparable periods of the two preceding years. Failure of output to increase was associated with adverse weather last winter and early spring and with the sharp advance in prices of meat animals over a year ago, which induced a sharper reduction in number of milk cows.

For 1958 as a whole, milk output is likely to approximate the record of 126.4 billion pounds reached in 1957, despite the 0.2 billion pounds drop in January-July output. Milk-feed price relationships continue well above average, supplies of feed concentrates are large and pastures are exceptionally good for this time of year. By end of July there were some indications that milk flow was rising relative to last year.

The further drop of 3.5 percent in number of cows in June from a year earlier was due partly to rising meat animal prices. The higher prices for meat animals had the effect also of raising income from the dairy enterprise as a whole.

The total number of milk cows has decreased each year since 1944 except for 1953. The number in June, 1958 was 22 percent below the mid-1944 level. The sharp drop in numbers in past 14 years has not prevented total milk flow

from reaching new highs because of increasing output per cow. It appears that future increases in output per animal will be enough to at least offset further decreases in milk cow numbers. In fact, the rate per cow may increase more rapidly in the future than in the past two decades. Also the rate of decline in milk cow numbers in the longer run probably will be less pronounced than in first half of 1958, because of prospects for increased production of meat and lower prices for meat animals.

Total use of fluid milk and cream continues a little above last year but shows less increase than population. With no change in farm output of milk, production of manufactured products has totaled a little under a year earlier. In recent weeks, however, butter and cheese output have increased relative to a year earlier, with weekly butter output occasionally exceeding 1957.

Consumption of American cheese is running substantially above 1957, presumably reflecting higher retail prices for red meats. Butter and ice cream production continues around year-earlier levels, but evaporated milk use is down considerably. Retail prices for all items except butter are above a year earlier, but all except evaporated milk have declined seasonally from the first quarter of the year.

Stocks of Total Nonfat Dry Milk Lower

Stocks of total nonfat dry milk on August 31 were reported by manufacturers of 113,993,000 pounds, down 13 percent from a year earlier and 8 percent less than the 5-year average for the date. Spray-dried nonfat milk holdings of 94,027,000 pounds were 16 percent smaller than a year earlier and 1 percent less than the August 31, 1952-56 average. Roller-dried nonfat milk stocks, reported at 19,966,000 pounds, were 3 percent larger than on August 31, 1957, but 30 percent smaller than average holdings for the date.

Dry whole milk stocks at the end of August were 9,205,000 pounds, smallest for the date since 1942, down 28 percent from a year earlier and 39 percent below the 5-year August 31 average. Stocks of dry buttermilk were 6,686,000 pounds, off 10 percent from August 31 last year and 25% below average for that date.

Milk Production Matched by Concentrates Fed

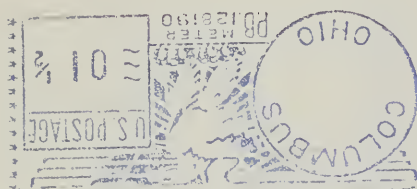
The increase in milk production per cow has been matched by increases in quantities of concentrates and roughage fed. This increase in concentrates fed has been sufficient to account for about two-thirds of the gain in milk output per cow over the past decade. The quantities of roughages fed, however, also have been increased, partly as a supplement to feed from pastures. The quantity of silage fed to milk cows increased relative to hay until 1955, but the last few years they have shown the same small changes and reached record highs last season.

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Record Supplies of Other Feed Grains in Prospect

The 1958 sorghum grain crop now estimated at 579 million bushels, is slightly above the record crop of 562 million in 1957 and 3 times the 10 year average. The area to be harvested for grain this year is estimated at 16.7 million acres, 14 percent less than last year's record of 19.5 million. However, a record yield of 34.7 bushels per acre was indicated in September, a fifth above the 1957 yield and 80 percent above the 1952-56 average. For the second consecutive year, soil moisture supplies are abundant in the major sorghum grain producing areas. The prospective October 1, 1958 carryover of around 300 million bushels is almost 4 times as large as any previous carryover. The total 1958-59 supply of 879 million bushels is more than a third larger than the previous record supply of 641 million bushels last year.

The 1958-59 oats supply is now estimated at 1,770 million bushels, 12 percent larger than last year and only 39 million below the record set in 1955. The 1958 crop of 1,419 million bushels is 8 percent larger than last year's crop. The estimated yield per acre of 44.5 bushels — 19 percent above the record yield of 1957 — more than offset a 9 percent reduction in harvested acreage. In the important North Central States, cool, dry weather was favorable for maturing and harvesting the crop. Yields in each of these States are record or near record.

Market Quotations

Sept.
1958

12 MIDWEST CONDENSERIES 3.5% per Cwt.	\$2.995
5 CONDENSERIES (Cincinnati) 3.5% per Cwt.	2.8675
5 CONDENSERIES (North Central Ohio) 3.5% per Cwt.	2.915
2 CONDENSERIES (Toledo) 3.5% per Cwt.	2.812
4 CONDENSERIES (Tri-State) 3.5% per Cwt.	2.950
Evaporated Milk Code Price, 3.5% per Cwt.	2.850
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Cincinnati)	3.1029
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Columbus)	3.092
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Dayton)	3.116
Skim Milk Powder-Butter Price, 3.5% per Cwt. (Toledo-Tri-State)	2.990
Average Weekly Cheddars price per lb.	.32062
Average price per lb. non-fat dry milk solids, roller process delivered Chicago	.1355
Average price per lb. 92-score butter at Chicago	.60250
Average carlot prices non-fat dry milk solids, roller and spray process, f.o.b. manufacturing plant	.12635

New Farm Bill Provides for Change in Feed Grain Program (Continued from page one)

If the new program is voted, the support rate for 1959 corn would be 90 percent of the average price received by farmers for corn during the 3 calendar years 1956, 1957 and 1958, but not less than 65 percent of parity. Neither of these levels can be determined exactly until all the basic data are available in 1959. Data so far available would indicate that the average price received by farmers for corn during the 3 calendar years will be around \$1.25 to \$1.28 per bushel. This includes an upward adjustment to allow for the price-depressing effect of the large quantities of poor quality corn marketed in 1957-58 and for corn placed under price support and

delivered to CCC during the 3 year period. Ninety percent of the estimated average would be \$1.12 and \$1.15 per bushel.

The minimum support level based on 65 percent of the parity price will depend on changes in the effective parity price between now and next year. In 1959 the effective parity price for corn in August was \$1.72 per bushel, and 65 percent of this is \$1.12 per bushel. The modernized parity in 1959 probably will be below the current level. The 1949-59 average price of corn as related to all prices of all farm products will be used in determining modernized parity in 1959. The price of corn in the calendar year 1958, which will be added to the period, will be much lower than the 1948 price which was influenced by the short crop of 1947.